

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 20, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete everything after the enacting clause and insert the
- 2 following:
- 3 SECTION 1. IC 22-2-5-1 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Every
- 5 person, firm, corporation, limited liability company, or association,
- 6 their trustees, lessees, or receivers appointed by any court, doing
- 7 business in Indiana, shall pay each employee at least semimonthly or
- 8 biweekly, if requested, the amount due the employee. The payment
- 9 shall be made in lawful money of the United States, by negotiable
- 10 check, draft, or money order, or by electronic transfer to the financial
- 11 institution designated by the employee. Any contract in violation of this
- 12 subsection is void.
- 13 (b) Payment shall be made for all wages earned to a date not more
- 14 than ten (10) **business** days prior to the date of payment. However, this
- 15 subsection does not prevent payments being made at shorter intervals
- 16 than specified in this subsection, nor repeal any law providing for
- 17 payments at shorter intervals. However, if an employee voluntarily
- 18 leaves employment, either permanently or temporarily, the employer
- 19 shall not be required to pay the employee an amount due the employee
- 20 until the next usual and regular day for payment of wages, as
- 21 established by the employer. If an employee leaves employment
- 22 voluntarily, and without the employee's whereabouts or address being
- 23 known to the employer, the employer is not subject to section 2 of this
- 24 chapter until:
- 25 (1) ten (10) **business** days have elapsed after the employee has
- 26 made a demand for the wages due the employee; or

(2) the employee has furnished the employer with the employee's address where the wages may be sent or forwarded.

SECTION 2. IC 22-2-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. **(a) Except as provided in subsection (b), every such person, firm, corporation, limited liability company, or association who shall fail fails to make payment of wages to any such an employee as provided in section 1 of this chapter shall as liquidated damages for such failure, pay to such the employee for each day that the amount due to him the employee remains unpaid interest at the annual rate of ten percent (10%) of on the amount due to him the employee in addition thereto, not exceeding double the amount of wages due, and said damages to the wages due.**

(b) Upon termination of an employment relationship, the employer shall pay to the employee the unpaid wages minus any amount deducted as due to the employer from the employee.

(c) At the employee's request, an employer that deducts an amount under subsection (b) shall provide the employee with a written notice itemizing the amounts deducted. The employer shall provide the written notice required by this subsection not later than fourteen (14) days after the date of the employee's request.

(d) The wages, including any amount in disagreement under subsection (b), may be recovered in any court having jurisdiction of a suit to recover the amount due to such the employee, and in any suit so brought to recover said wages or the liquidated damages for nonpayment thereof, or both, the court shall tax and assess as costs in said case a along with reasonable fee for the plaintiff's attorney or attorneys: attorney's fees incurred by the employee.

(e) This section does not preclude the employer or employee from recovering other damages to which either is entitled.

SECTION 3. IC 22-2-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) Any assignment of the wages of an employee is valid only if **it is an allowed deduction under federal law or** all of the following conditions are satisfied:

(1) The assignment is:

(A) in writing;

(B) signed by the employee personally;

(C) by its terms revocable at any time by the employee upon written notice to the employer; and

(D) agreed to in writing by the employer.

(2) An executed copy of the assignment is delivered to the employer within ten (10) days after its execution.

(3) The assignment is made for a purpose described in subsection (b).

(b) A wage assignment under this section may be made for the purpose of paying any of the following:

(1) Premium on a policy of insurance obtained for the employee by the employer.

(2) Pledge or contribution of the employee to a charitable or nonprofit organization.

(3) Purchase price of bonds or securities, issued or guaranteed by

the United States.

(4) Purchase price of shares of stock, or fractional interests therein, of the employing company, or of a company owning the majority of the issued and outstanding stock of the employing company, whether purchased from such company, in the open market or otherwise. However, if such shares are to be purchased on installments pursuant to a written purchase agreement, the employee has the right under the purchase agreement at any time before completing purchase of such shares to cancel said agreement and to have repaid promptly the amount of all installment payments which theretofore have been made.

(5) Dues to become owing by the employee to a labor organization of which the employee is a member.

(6) Purchase price of merchandise sold by the employer to the employee, at the written request of the employee.

(7) Amount of a loan made to the employee by the employer and evidenced by a written instrument executed by the employee subject to the amount limits set forth in section 4(c) of this chapter.

(8) Contributions, assessments, or dues of the employee to a hospital service or a surgical or medical expense plan or to an employees' association, trust, or plan existing for the purpose of paying pensions or other benefits to said employee or to others designated by the employee.

(9) Payment to any credit union, nonprofit organizations, or associations of employees of such employer organized under any law of this state or of the United States.

(10) Payment to any person or organization regulated under the Uniform Consumer Credit Code (IC 24-4.5) for deposit or credit to the employee's account by electronic transfer or as otherwise designated by the employee.

(11) Premiums on policies of insurance and annuities purchased by the employee on the employee's life.

(12) The purchase price of shares or fractional interest in shares in one (1) or more mutual funds.

(13) A judgment owed by the employee if the payment:

(A) is made in accordance with an agreement between the employee and the creditor; and

(B) is not a garnishment under IC 34-25-3.

(14) Payment for the purchase or maintenance of uniforms worn by the employee while performing duties for the employer.

(15) Payment for the purchase or rental of tools and equipment used by the employee while performing duties for the employer.

(16) Payment or repayment of the employee's tuition for:

(A) a postsecondary educational institution;

(B) an apprenticeship training program; or

(C) an educational training program;

approved by the employer.

SECTION 4. IC 22-2-8-1 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. **(a) An employer**
 2 **who deducts the fee described in section 4 of this chapter does not**
 3 **violate this section.**

4 **(b)** It is unlawful for any employer to assess a fine on any pretext
 5 against any employee and retain the same or any part thereof from ~~his~~
 6 **the employee's wages.**

7 **(c)** An employer who violates this section commits a Class C
 8 infraction.

9 SECTION 5. IC 22-2-8-4 IS ADDED TO THE INDIANA CODE
 10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2005]: Sec. 4. **(a) Notwithstanding section 1 of this chapter,**
 12 **an employer may deduct from an employee's wages a fee computed**
 13 **under subsection (b) to issue a replacement payroll check at the**
 14 **written request of the employee because of theft, destruction, or**
 15 **other loss of the original payroll check after receipt by the**
 16 **employee.**

17 **(b) The fee described in subsection (a) is equal to:**

18 **(1) the amount charged the employer by a financial**
 19 **institution to stop payment on the original payroll check;**
 20 **plus**

21 **(2) the lesser of:**

22 **(A) the employer's reasonable costs incurred to reissue**
 23 **the payroll check; or**

24 **(B) twenty dollars (\$20).**

25 SECTION 6. IC 22-5-6 IS ADDED TO THE INDIANA CODE
 26 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2005]:

28 **Chapter 6. Employer Sales to Employees**

29 **Sec. 1. An employer may not sell to an employee of the**
 30 **employer any:**

31 **(1) merchandise; or**

32 **(2) supplies;**

33 **at a price higher than the employer sells the merchandise or**
 34 **supplies for cash to another person who is not an employee of the**
 35 **employer.**

36 **Sec. 2. A person who violates section 1 of this chapter commits**
 37 **a Class C infraction.**

38 SECTION 7. IC 22-2-4 IS REPEALED [EFFECTIVE JULY 1,
 39 2005].

40 SECTION 8. [EFFECTIVE JULY 1, 2005] IC 22-2-8-4, as added
 41 by this act, applies to wages first payable after June 30, 2005.

1 **SECTION 9. An emergency is declared for this act.**
 (Reference is to SB 20 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Pensions and Labor.

GARTON Chairperson